United Nations E/C.16/2011/1

Economic and Social Council

Distr.: General
5 January 2011

Original: English

Committee of Experts on Public Administration
Tenth session
New York, 4-8 April 2011
Item 2 of the provisional agenda
Adoption of the agenda and other organizational matters

Provisional agenda and organization of work

1. Election of officers.
2. Adoption of the agenda and other organizational matters.
3. Public governance for results to improve the quality of human life for all, by supporting the implementation of the internationally agreed development goals including the Millennium Development Goals:
   (a) Conceptual framework;
   (b) Post-conflict and post-disaster countries;
   (c) Social protection for vulnerable populations.

   Documentation

   The Committee will submit a paper for discussion (E/C.16/2011/2). On the basis of the parameters set by that paper, the Committee will determine the conceptual and operational framework and the process towards sustainable public governance for results in order to contribute effectively to the accelerated achievement of the internationally agreed development agenda, including the Millennium Development Goals. In a separate paper, special attention will be given to social protection for vulnerable populations and to public governance in post-conflict and post-disaster countries (E/C.16/2011/3).
4. Performance management in governance, including in relation to implementing the internationally agreed development goals and commitments in regard to education, the theme of the 2011 annual ministerial review of the Economic and Social Council.

11-20110 (E) 140111

Please recycle

5. Review of the United Nations Programme in Public Administration and Finance.

Documentation

The Secretariat will report on the activities proposed for implementation by the United Nations Programme in Public Administration and Finance in the next biennium, 2012-2013 (E/C.16/2011/4). The Committee will review the main activities to be implemented under the Programme in 2011 with a view to making recommendations for the Secretariat in assisting Member States to tackle concerns of global importance and to be aware of emerging issues related to public administration and its role in promoting innovative solutions to problems.

6. Proposed programme of work and agenda for the eleventh session of the Committee.

The Committee will review its programme of work and make recommendations to the Economic and Social Council on the agenda for its eleventh session.

United Nations E/C.16/2011/2

Economic and Social Council

Distr.: General
18 January 2011

Original: English

Committee of Experts on Public Administration
Tenth session
New York, 4-8 April 2011
Item 3 of the provisional agenda*
Public governance for results to improve the quality of human life for all, by supporting the implementation of the internationally agreed development goals including the Millennium Development Goals

Public governance for results: a conceptual and operational framework

Note by the Secretariat

Summary

This note by the Secretariat serves to transmit a paper written by Luis Aguilar Villanueva, Chair of the Committee of Experts on Public Administration (CEPA), prepared in accordance with the proposed programme of work and agenda found in chapter III, section F, of the report on the ninth session of the Committee of Experts on Public Administration (E/2010/44-E/C.16/2010/5). The views expressed and the content set out in the annexed paper are those of the author and do not imply any expression of opinion on the part of the United Nations.

The paper is intended to provide members of CEPA with background information for their deliberations during the tenth session, on the basis of the themes that Committee members identified for the Secretariat as being of major relevance for consideration during the 2011 session.

* E/C.16/2011/1.

11-21033 (E) 090211

Please recycle

The paper highlights political, administrative, technical, and institutional aspects of governance, in a new and evolving context, and from both theoretical and practical perspectives. The complexities of the contemporary global economic, political and social environment necessitate collaborative, multisectoral approaches to public governance. The dynamics among the various participating actors, organizations and interests present new challenges to government legitimacy and efficacy. Due consideration is also given to viable reforms in public administration, aimed at formulating and implementing more successful processes of governance that are appropriate to achieving equitable, inclusive and sustainable development.

Contents

		Paragraphs	*Page*
I.	Introduction	1–6	3
II.	Public governance definition	7–19	4
III.	Public results	20–28	9
IV.	Governance indicators and evaluation	29–41	11
V.	Governance and public administration	42–46	15
VI.	Conclusion	47–48	17

I. Introduction

1. States change their institutional structures and governments change their organization, practices and processes in response to the economic, political and social transformations that occur in societies. This was certainly in evidence from the early 1980s when much transformation, rearrangement and restructuring occurred across many fronts. The main changes inside and outside the State were the fiscal and managerial reforms undertaken by States to overcome their fiscal deficits and related problems; the democratization of authoritarian or semi-authoritarian regimes; the decentralization of public power; the rise of multi-State formations; a growing autonomy and civic activism of civil society organizations; economic liberalization or neoliberal reforms; the globalization of markets (finance, trade, services, manufacturing); and the rise of the information age, in addition to increasing world problems like poverty, inequality, security, migration, terrorism, and climate change.

2. The changes have been different in scope, consistency and speed according to the specific conditions and decisions of each country. Regarding government, the main effect of such changes has been a transformation of the process by which society is ruled. Thus, a new governance process and structure has emerged whose main characteristic is that government depends increasingly on other organizations (economic and social), in both the private sector and civil society, to set and achieve public goals of common interest, to solve public problems and to provide public services, just as private sector firms and civil society organizations depend on the performance of the State to achieve their goals and foster their civic causes. The interdependency of the constituent parts of the contemporary social system fosters a way of governing, which is necessarily less hierarchical or based on command and control and more shared with citizens, through partnerships and networks in which the State and other organizations depend on each other.

3. Considering these changes from a public administration perspective, the New Public Management (NPM) reforms of the 1980s and 1990s, were influential factors for the new governance to take shape and evolve, both for what they did and did not. The strong emphasis of NPM on government cost-efficiency performance as the highest value and primary goal of public administration, in order to overcome the fiscal problems or even the crisis of social welfare and development, urged States to implement internal reforms. The most relevant of these were decentralization of decisions and operations; hands-on management (commitment, flexibility, innovation); arm's-length organizations aimed at specific goals and groups; a citizen-centred public service provision (as client or consumer); a purchaser/provider split (the steering/rowing distinction); e-government implementation; performance evaluation and measurement systems, etc. At the same time, NPM prompted a number of structural decisions, such as downsizing the State, "marketization" (including deregulation, privatizations and contracting out of service provision) and the establishment of politically independent agencies for key public areas of public administration, such as central banking, fiscal matters and regulation of key industries.

4. The NPM reforms had two sets of effects. On the one hand, governments lost some of their past powers, faculties and resources in several dimensions of economic and social life, weakening their ability to lead and effectiveness, while on the other hand they originated a new way of ruling and leading, labelled as

"inter-organizational forms of government".[1] This is a "two-way traffic" governance model, in which those governing and those governed cooperate in making policy decisions.[2] As a form of governance, it is also referred to as "third-party government" or "government by proxy",[3] "participatory governance",[4] or "engaged governance".[5] Additionally, it is defined as an institutional arrangement that links citizens more directly to the public decision-making processes of a State: "open and inclusive policymaking".[6]

5. The NPM movement has been subject to both valid and questionable criticisms. The more substantive critical remarks point to the exclusive emphasis of NPM on the cost-efficiency dimension of public administration; the fragmentation of government action into a number of single units and programmes working to achieve their particular goals efficiently, without considering their relevance to specific policies or political contexts. Other criticisms of NPM include the intragovernmental focus of its reforms; the view of citizens as clients of governmental services more than as partners co-designing and co-managing public initiatives; and the limited concept of governmental performance, based on the financial and administrative components of public action, without highlighting the institutional and political dimensions.

6. The most powerful critical remark, however, is that in contemporary social conditions the management approach is not the core answer to the question of how to assure the leading capacity and effectiveness of government, insofar as governments cannot address and solve by themselves a range of complex public issues (composed of various and interdependent factors), since the necessary political, cognitive, technological, and financial resources for their solution are dispersed over many actors. An efficient and effective public administration, as NPM demands, maintains its relevance and is an essential component of governance, but it is just one of its functional conditions and key success factors.

II. Public governance definition

7. Appearing at the beginning of the 1990s as a product of the work of international organizations and of academic research, the concept of public governance began to attain a basic uniformity and stability of content, leaving behind its initial ambiguity and vague meaning. Currently, nevertheless, the governance concept is running the risk of being everything and hence nothing, because it is being referred to in a general sense as a solution to all sorts of political, economic and social problems.

---

[1] K. Hanf and F. Scharpf, *Interorganizational Policy Making* (London, Sage, 1978).

[2] Jan Kooiman, ed., *Modern Governance: New Government-Society Interactions* (London, Sage, 1993).

[3] Lester M. Salamon, ed., *The Tools of Government: A Guide to the New Governance* (Oxford, Oxford University Press, 2002).

[4] United Nations, *Participatory Governance and the Millennium Development Goals*, (ST/ESA/PAD/SER.E/119).

[5] M. Adil Khan, United Nations Department of Economic and Social Affairs, *"Engaged Governance": A Strategy for Mainstreaming Citizens into the Public Policy Processes* (ST/ESA/PAD/SER.E/73).

[6] OECD, *Focus on Citizens: Public Engagement for Policies and Services* (Paris, OECD Publishing, 2009).

8. It must be stated from the beginning that governance has a definite field of knowledge and application. It is intended to be a response to specific cognitive and practical questions about the leading role, capacity and effectiveness of government. Such questions have become the main concern for many citizens who mistrust the ability of government to solve the key problems of social life, or to create paths towards improving their well-being. On this premise, the concept of governance builds on the presumption that the institutional aspects of the political legitimacy of public authorities and the legality of their actions are a problem already solved. Thereby, many questions and indicators on the quality of democracy, the quality of government, institutional quality, or good governance maintain their cognitive and political importance, but are not the specific questions which the concept of governance raises and intends to answer, on the assumption that if governments lack institutional quality and legitimacy they cannot rule and steer their societies.[7]

9. Public governance refers to the process by which a society steers, rules and manages itself, meaning essentially the process by which government, private corporations, civil society organizations and citizens interact to define, agree and decide on their goals of common value and on the organizational forms, kind of resources, and set of activities, which are necessary and suitable to successfully carry out the chosen goals. Governance is the steering process by which the sense of direction of society and the social capacity to carry out public intentions are built and defined. The governance process is not random or unrestricted, but structured and framed by institutions and by knowledge. It implies values, institutions, rules and traditions, which establish the ways and limits of the exercise of public power. This process also provides the channels for participation in public decisions which are open to citizens and regulates the interactions between public authorities, private corporations and civil society organizations, in order to articulate their interests, mediate their differences and reach agreements on the public goals to be achieved, public problems to be solved and public services to be provided. In addition, public governance also implies technical knowledge and skills that enable public, private and social actors to determine the efficient allocation and management of public and private resources, as well as the proper organizational arrangements and appropriate activities for effective production of the agreed public results.[8] In sum, governance refers to the set of values, institutions, rules, beliefs and technologies by which government and society address the public affairs which matter to achieve their preferred social order, as constitutionally stated.

10. When speaking about governance or "new" governance, what is of significance is the fact that the influence and leading role of government has changed. The most relevant societal goals are now set up and achieved in

[7] "Governance" differs conceptually from "governability", even if both address the question about government capacity and effectiveness to rule. In essence, governability keeps a dominant or exclusive governmental perspective, considering that a government well-endowed with the necessary capacities (institutional, financial, administrative) is sufficient to rule and lead society, while the governance perspective assumes that governments alone, even if legitimate and highly competent, cannot tackle several complex issues, which call for a joint work of government and citizens (private sector, social networks, academic institutions), for a governmental-social co-production of the goals to be achieved and the tools to achieve them.

[8] The institutional and technical components of governance outline the realm of its social effectiveness and political legitimacy: the range of social outputs and outcomes that government and societies can effectively produce, as well as the social acceptance and political support that can be attained.

association with private and social actors. All governance arrangements throughout history express a specific balance among political, economic and social organizations, since public power, production and exchange of goods, and forms of social solidarity and cohesion are the collective resources of any society for survival and to ensure an agreeable common life.

11. In recent years, the balance between these key collective actors has changed. Government has not lost its decisive contribution to the governance of society, as it still is the fundamental actor in solving the inherent problems of any collective action (including conflict, opportunism, freeloading, defection, infringement of contracts and agreements, and crime). But, when addressing economic and social issues, its decisional autonomy has diminished. Government now depends on the resources and activities of non-government organizations (NGOs) to successfully tackle such problems and to lead society to higher levels of prosperous, equitable and safe well-being.

12. Governance is broader than government action, insofar as the steering process of society now covers joint initiatives between government and society, such as public-private partnerships, policy networks, and associated forms of public service provision. Under the present conditions, government tends to govern with citizens and with society, not above them. Instead of dominant rulers or self-sufficient service providers, governments tend now to be partners, enablers, facilitators, and collaborators, who need, encourage and support the contributions of citizens, coordinate joint public-private action, and intervene to correct or mediate when conflict between partners, or public interest distortion occurs.

13. "A shift from government to governance"[9] or from "government-as-usual" to the broader perspective of governance[10] has occurred and is necessary. Indeed, governments are finding the governance approach to be increasingly advantageous when dealing with complex, critical and sensitive public policy issues.

14. At the beginning of its more frequent use in the 1990s, governance or public governance was a descriptive concept portraying the collaborative methods that governments practised with private organizations and social networks to solve social problems, to implement policies and to provide public services. Most of the literature on governance is of this descriptive kind. The concept encompassed a prematurely normative meaning of "good governance", when governing through partnerships and networks with extra-governmental actors was conceived as a model that governments must apply to be politically legitimate and effective. This normative statement was criticized, even when it was acknowledged that the democratic institutions of the governing process (free elections, rule of law, fairness, accountability, transparency) were universal norms to be followed without exception. In addition, critical remarks were made about good governance which, as with every concept of quality, was regarded by many scholars and officials as a relative concept ("good for something", "relevant to something"), related to economic growth (often under neoliberal assumptions), to effective government (often under an NPM approach), to political stability, or to other public goals.

---

[9] United Nations Department of Economic and Social Affairs, *Public Governance Indicators: A Literature Review* (ST/ESA/PAD/SER.E/100).

[10] OECD, *Focus on Citizens: Public Engagement for Policies and Services* (Paris, OECD Publishing, 2009).

15. The concept of "good governance" reached a more agreeable though still controversial meaning when the United Nations Development Programme (UNDP) put forward a set of principles to define its characteristics from the standpoint of relations between State and society.[11] The principles or characteristics are: rule of law (fairness), legitimacy and voice (participation and consensus orientation), transparency and accountability, performance (responsiveness, effectiveness, efficiency), direction (strategic vision), and equity (universal access to opportunities, including for minorities, to maintain and improve their well-being).

16. Alongside the debate around the normative attributes of the good governance concept, a theoretical concept emerged, which stated that (new) governance is the effect of current (domestic and worldwide) social and economic developments and listed the necessary institutional and technical conditions of governance to be politically legitimate, efficient, effective, as well as credible and trustworthy for citizens. In this sense, good governance means the same as a governance process which proves to be respectful of the rule of law and democratic institutions and to be technically competent to produce the expected results of public value. This governance definition suits the other definitions used in mainstream academic research and prominent international organizations.[12]

17. The most relevant contributions of governance research are the statements issued on the institutional and technical dimensions of governance and their interdependencies, as well as the realities that these dimensions must cover, which

---

[11] United Nations Development Programme (UNDP) policy document, "Governance for sustainable human development" available at http://www.pogar.org/publications/other/undp/governance/undppolicydoc97-e.pdf.

[12] UNDP: "Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the State, civil society and private sector. It is the way a society organizes itself to make and implement decisions — achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe." UNDP and the European Commission, *Governance Indicators: A User's Guide* (New York and Luxembourg, 2004).
The European Commission: "Governance concerns the state's ability to serve the citizens .... Governance refers to the rules, processes, and behaviours by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in this context .... In spite of its open and broad character, governance is a meaningful and practical concept relating to the very basic aspects of the functioning of any society and political and social systems. It can be described as a basic measure of stability and performance of a society." *Communication on Governance and Development*, October 2003 (COM (03) 615).
World Bank: "We define governance as the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them." World Bank Institute (2004), available at http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/PSGLP/0,,menuPK:461645~pagePK:64156294~piPK:64156292~theSitePK:461606,00.html#Story2.

are also the main references for designing governance indicators.[13] Summarizing the work of academics and international organizations, the main components of the institutional-political dimension of governance are the following (enunciated, not comprehensive):

- **Rule of law**

  Independence of the judiciary, fairness, honesty, enforceability and speed of the court system/due process, fairness, honesty and competence of the police force, respect for the law by citizens and public authorities, and equal treatment of citizens before the law.

- **Voice and accountability**

  Human rights, civil (gender) and economic liberties, freedom of media, political rights and institutions (e.g., free and fair electoral system), open and inclusive democracy, representative and responsive legislative process, executive-legislative institutions, intergovernmental relations, transparency/citizens' access to public information, anti-corruption/accountability (types of) institutions and practices, citizens' participatory institutions and practices.

- **Regulatory quality**

  Economic (financial, labour, trade, customs) regulations, intellectual property rights regulations, administrative regulations and procedures.

18. The main components of the technical-administrative dimension of governance are the following:

- **Social system of cognitive beliefs and technologies**

  Quality of information systems, scientific knowledge and technological platforms, research and development institutions, universities and technical education institutions.

- **Public finance**

  Structure of fiscal and budgetary systems, effectiveness of tax administration, public expenditure management, balance between public income and expenses.

- **Public policy and public administration**

  Capacity for planning and for policy analysis and design, quality of citizens' participation in the policymaking process, policy coherence and consistency, quality of bureaucracy (norms, organization, processes, personnel professional skills), development of e-government systems, design of information and communication technology (ICT) and e-governance policies and strategies to integrate gender concerns, quality of evaluation and audit systems, human resources management and public service ethics.

[13] The individual institutional and technical components of governance, although distinct in their content and outcomes, are or must be intertwined and integrated in the governance process to produce results of public benefit. The separate performance of every component matters, as it solves specific key problems of social life (e.g., fair treatment before justice, public services for vulnerable populations, liability of contracts, legitimate election of authorities), but for contributing to an effective governance of society and to build social trust in government, its individual performance is not enough and has to be linked with other components and be part of a coherent unity of public action.

19. In addition to these structural elements, the "soft" factors of governance or the behavioural dynamics which enable public, private and social decision makers to agree when debating, defining and implementing a governance process are central to achieving an effective and socially appraised performance.[14]

III. Public results

20. Result refers to the final outcome of a causal process or of a chain of causal factors (inputs, activities and outputs), meaning an observable or measurable change in the state of a social situation. What is to be understood as a public result or result of public value refers therefore to a concept of governmental-public causality or effectiveness, to the specific distinctive conditions under which a government or governance process produces the expected effects or results valued by citizens. In recent years, as a consequence of the emphasis on cost-efficient government performance, a limited and even unilateral concept of governmental or public efficacy has been put forward. This development has contributed to the mainstreaming of a predominantly technical view of efficacy, understood as the causal suitability of government actions and tools in producing desired economic and social goals, without bestowing causal relevance and impact on the institutional and political components of action. At most, such components are thought of as elements of the context in which the causal process develops.

21. A technical concept of the public result is fundamental and correct, but it is limited in public affairs, since public effectiveness includes institutional and political components that are of a value nature. Government action or multi-actor governance is deemed socially effective for what it has done and also for how it has done it, in other words for its products and for the attributes of the process through which the products have been achieved. It matters that governmental and/or governance actions bring about the desired social outcomes and eliminate the undesired and harmful elements of social situations. At the same time as producing those social effects, government and multi-actor governance also preserve and advance the core values and principles of a democratic State and an equitable and secure social life. In addition to achieving desired social outcomes, the democratic values of governmental action that are shared by citizens are essential for public-governmental efficacy.

22. Process matters as well as product. Technical competence and political legitimacy are both conditions of public effectiveness. Therefore, a public result is the final outcome of government actions or of a governance process, which are both technically (financial, analytical, technological, managerial) and institutionally dependable. The results achieved by government and/or by multi-actor governance in solving community problems can hardly be regarded and appreciated as an effective solution of a public problem, or as a true result of public value, if the fundamental values of the democratic relation between government and citizens

[14] Meredith Edwards and Robyn Clough, "Corporate governance and performance: an exploration of the connection in a public sector context", Issues Paper No. 1, Corporate Governance ARC Project (Canberra, University of Canberra, 2005), available at https://docs.google.com/viewer?url=http://www.canberra.edu.au/corpgov-aps/staff/EdwardsM_CVwithPubs_02-06.pdf&pli=1.

(laws, rights, liberties, equal treatment, inclusion, citizen participation, transparency, accountability) are contravened.

23. The reason for this is that its transgression will generate social criticism and repudiation of the chosen policy and its outcomes, and most likely will trigger other types of problems (even more serious) that will make the alleged solution to the problem fragile and ephemeral.

24. In sum, public result must be understood as the final outcome of a democratic and technically sound causal process, appreciated by citizens who register that the state of an unwanted or unacceptable social situation has actually changed, and that democratic political values are endorsed as well. In this perspective, a sound definition of public results jointly includes "policy performance" and "democratic performance".[15]

25. Another characteristic of a public result is not to be merely the final outcome of the single activities of an individual public organization, policy, programme or service, according to the widespread methods and practices of policy analysis, budgeting and evaluation. In contrast to this usual notion, which has exacerbated the fragmentation of the ruling activity of governments, a sound result of public value is an aggregate result which brings together into a whole the individual outcomes of governmental policies and programmes, as well as the outcomes of private and social actors' performance. Social equity, social security, public order, human development, urban environmental quality, national economic stability and competitiveness, physical and ICT infrastructure, democratic regime, a fair judicial system — all are societal situations of the highest public value which are in fact aggregate results summing up a coherent number of effective individual public policies, private initiatives and citizen actions.

26. It is important also to bear in mind the "subjective" dimension of a public result, which is not merely an empirical social fact but includes a value judgment of citizens on the social outcome. Their judgment is influenced especially by the credibility and trust ("social reputation") that authorities and economic and civil society governance decision makers have built along their political career and social trajectory.

27. Trust is an important aspect of public results. Trust can be essential to attaining good public results but can also be built by achieving good public results. While the level of trust in a given society often has roots in traditions, values and structures, the political and legal structures of modern political systems can help to further raise the level of trust within a society. A freely elected government can increase trust that policies will be consistent with citizens' preferences and values. Likewise, a non-politicized bureaucracy can increase trust in technical competence, while a fair legal system can ensure that trust is possible not just vertically but horizontally, between individual actors interacting in society. Trust in the process allows the government the time needed to achieve a result. Once a good public result has been achieved, this increases the trust in government and can serve to extend the time horizons of society even further, allowing the government to engage in increasingly long-term policies.

---

[15] OECD, *Focus on Citizens: Public Engagement for Policies and Services* (Paris, OECD Publishing, 2009).

28. Thus, while public results are, as mentioned, aggregated outcomes of numerous policies, initiatives and actions, they are also aggregated outcomes over time. Society is interested in sustainable public results, which stabilize their expectations over time and provide a measure of certainty, predictability and consistency. Governments share these interests, insofar as sustainable public results facilitate trust in government, which facilitates sustainable rule. Aside from waiting for effective public results, governments have more proactive instruments to ensure sustainable results through adaptive learning. Careful monitoring and constant assessment of public policies during their life cycle allows said policies to be adapted to changing external circumstances, or newly observed internal shortcomings in the policy. Even the act of engaging in these activities can produce an image of effectiveness, which can also serve to give government more time to achieve a desired result.

IV. Governance indicators and evaluation

29. Governance indicators have been produced and used for different purposes by a number of institutions: international donors, private sector agencies, monitor groups (national and international NGO networks), and academic scholars, whose different perspectives on, and expectations of, different public issues have improved the methods and content of governance assessment.[16] While indicators should be measurements of the legitimacy, capacity and effectiveness of a multi-actor governance process to rule and lead society towards its preferred goals, the most adopted and recognized indicators (for example, World Bank indicators, quality of government indicators) look at the legitimacy, capacity and effectiveness of governments to rule and steer, rather than at the governance process itself.

30. The position is quite correct as government contribution to governance will be poor and counterproductive if lacking institutional, political and technical quality. Institutional fragility and/or the technically low competence of government hinders, instead of fostering, the legitimacy and efficacy of the governance process. But the position is incomplete and even inaccurate if, besides the focus on specific government institutions, norms and capacities, it does not point to the specific elements of multi-actor governance. The bias has to be corrected to highlight the appropriate elements and conditions that make the relationship between government and citizens possible and productive. This applies throughout the process in which governance content is decided (such as rules of access, dialogue and consensus-building between the participants and the public spirit of private and social participants). It also refers to the elements and conditions that make citizens' engagement in the governance process possible and productive. These may include such aspects as those related to the true existence and the quality (public accountability and technical knowledge) of public-private partnerships, public-private-people partnerships, policy networks, and public opinion activity.

31. On the subject of (new) governance indicators, little has been done in relation to the partners of government — citizens, the private sector, and civil organizations — to assess their contribution to deciding and putting into effect governance content. At this stage, therefore, more attention has to be paid to governance-specific attributes

[16] The 2007 UNDESA/DPADM working paper *Public Governance Indicators: A Literature Review* (ST/ESA/PAD/SER.E/100) is a well-informed and worthwhile summary.

than to government attributes alone. This would entail indicators related to the following: the existence, consistency and capacity aspects of social "self-organizing, inter-organizational networks",[17] in a particular society; the robustness of private firms and the degree of their social responsibility; the development of the third sector (and strength of social capital); and specifically above all the quality and effectiveness of their participation in public decision-making, and the public and technical aspects of government that contribute to society interaction. In the following three paragraphs are descriptive summaries of three indexes significant to governance evaluation: the World Bank, UNDP and the Ibrahim Index.

World Bank

32. According to the three components of its definition of governance, the World Bank offers a set of 6 aggregate indicators or clusters of indicators, which result from 313 individual indicators, drawn from 35 separate data sources, produced by 33 institutions around the world, and based on the subjective perceptions of citizens and stakeholders (polls and surveys) about the quality and efficacy of governance in 212 different countries. The set of indicators, the methodology followed and the evaluation outcomes are published in "Governance Matters", a series of nine reports produced between 1996 and 2009.[18] The clusters "Voice and Accountability" and "Political Instability and Violence" summarize indicators referring to the process by which those in authority are selected, monitored and replaced. "Government Effectiveness" and "Regulatory Burden" gather together the indicators referring to the capacity of government and its bureaucracy to design and implement sound policies, manage public resources and foster private sector performance and contributions. Finally, two clusters labelled "Rule of Law" and "Control of Corruption" aim to measure the level of respect that citizens and authorities have for the rules that govern their behaviour and interactions. While the World Bank methodology has not been fully evaluated (even if fine debates take place), it is the governance definition that triggers most of the criticism, as it is regarded as being as broad as any definition of "political regime" or "politics"; covers issues of access and issues of exercise of public power; mixes up questions related to the political legitimacy of authorities with questions related to its capacity to lead and rule a society effectively; and finally maintains a governmental perspective of governance interested mainly in economic growth.

United Nations Development Programme

33. Instead of developing its own governance indicators (although the Human Development Indicators are relevant and world renowned), the purpose of UNDP is to advise people interested in governance subjects to identify the sources of evaluation data and to manage them properly. The publication "Governance Indicators: A User's Guide"[19] helps interested people to use correctly and consciously the huge number of different governance indicators produced by public, private, academic, and civil society institutions (337) and the outcomes of their different assessments that address specific components of the governance process.

[17] R.A.W. Rhodes, *Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability* (Open University Press, 2007).

[18] Available at http://info.worldbank.org/governance/wgi/resources.htm.

[19] UNDP and the European Commission (1st edition, 2004, 2nd edition, 2007).

Nevertheless, as can be consulted on its Governance Assessment Portal (GAP),[20] UNDP has identified 16 thematic groups, labelled as "areas of governance", which classify the governance evaluation outcomes coming from the published reports of the 337 institutions, which make evaluations in accordance with their own methodology. These areas of governance are the following: civil society, conflict, corruption, democracy, e-governance, electoral systems, governance and gender, governance and the MDGs, human rights, justice, land governance, local governance and decentralization, media, parliament, political parties, and public administration.

The Ibrahim Index[21]

34. This index was initially developed in association with Harvard University (2007) and, now in its fourth edition, is largely the product of African scholarship, designed to assess African national governance against 57 criteria. Those criteria inform evaluation based essentially on the quality of public services provided to citizens by governments and non-State actors, and are specifically focused on results. As a composite index, each criterion is weighted and scaled to provide standardization and proportional influence on the overall results of an evaluation.

35. The aims of this index are to provide a tool for citizens, public authorities and their partners to assess progress in governance, as well as to stimulate constructive debate over performance. It comprises five overarching categories of criteria, which are considered to define the fundamentals of government obligations to citizens, as follows: safety and rule of law, participation and human rights, sustainable economic opportunity, and human development.

36. The term "evaluating governance" implies greater difficulties than simply assessing the actions of government. On the one hand, these difficulties stem from the complexity implied by the decision-making process when talking about governance. "This perspective is much more oriented to the understanding of public decision-making as a multi-stakeholder activity, not just a government prerogative and as a 'fuzzy' negotiative process rather than a set of clear and firm events."[22] On the other hand, governance does not refer to good internal management of an organization but, rather, successfully achieving outcomes which are valued by external stakeholders. In other words, the evaluation criteria and procedures used must achieve (a) a reasonable degree of causal linkage between the policies adopted and the results obtained, something which, when referring to outcomes, is often not very evident; and (b) an acceptable degree of agreement among the primarily affected social actors, networks and stakeholders as regards the method adopted.

37. Having a clear vision of what quality governance consists of must precede the assessment of governance itself. Determining the criteria to be used must also be prior to searching for and defining indicators, not the other way around. Not doing this implies succumbing to the risk of creating evaluations based on what is more easily measured, generally coinciding with the most quantifiable. The problem with designing primarily quantitative governance evaluations is that they generally lead

[20] http://www.gaportal.org/search_organizations and http://www.gaportal.org/areas-of-governance.

[21] http://www.moibrahimfoundation.org/en/section/the-ibrahim-index.

[22] Walter J. M. Kickert, Erik-Hans Klijn and Joop F. M. Koppenjan, eds., *Managing Complex Networks. Strategies for the Public Sector* (London, Sage, 1997) and Rhodes, *Understanding Governance*.

to partial or superficial interpretations. Thus, the use of qualitative evaluation instruments is necessary to avoid this risk.

38. When selecting governance indicators, the following criteria should be taken into account:

(a) The social impact and connection with citizens' concerns, well beyond administrative control objectives or the instrumental interests of the administration;

(b) Contribution to enriching public debate in a given institutional setting;

(c) Positive effects on collective learning capabilities in terms of dealing with complex social problems;

(d) Contribution to improving the transparency and accountability of the public authority;

(e) A reasonable degree of multifactorality, that is sufficient causal linkage between the policies or decisions evaluated and the results obtained.

39. Two typical problems in governance evaluations should be avoided. The first problem is dispersion and a lack of focus, both of which lead to including very heterogeneous criteria with different relative values. The second is attempting to find a single normative criterion, capable of serving as the basis with which to evaluate any type of public policy. The complexity of this type of evaluation requires the application of a range of criteria rather than a sole normative principle. In any case, and as can be gathered from the discussion above, the indicators used must include linked criteria, that is, criteria linked to real or potential results stemming from given policies and decisions, and, in addition, criteria linked to the procedures used to elaborate, adopt and implement said policies and decisions.

40. Without pretending to be an exhaustive list, the following criteria should, in general, be included when defining valid indicators to evaluate governance in contemporary societies:

(a) Public regard, or the degree to which policies pursue the public interest, versus rent-seeking or responding to the influence of interested stakeholders;

(b) Achievement of the explicitly adopted objectives or the application of ratios or standards generally accepted in a given public policy sector;

(c) Efficiency, that is the extent to which policies reflect an allocation of scarce resources that ensures high social returns;

(d) Policy sustainability;

(e) Fair and impartial treatment of citizens and a respect for legality;

(f) Democratic decision-making and citizen and stakeholder engagement;

(g) Respect for diversity and social inclusion and equality (of opportunities, use, cost, access and outcomes) for disadvantaged groups.

41. Lastly, it is worth emphasizing that evaluating governance can in no way be a mechanical or automatic process. No matter how well-defined these evaluations are, the indicators should require evaluators to carry out analyses which are capable of (a) weighing the influence of different concurrent circumstances; (b) situating results within their corresponding institutional contexts; (c) extracting useful and

valid consequences for a rich and inclusive public debate and appropriate accountability; and (d) reducing the risk of manipulation and encouraging social learning. The definition of institutional mechanisms capable of producing intelligent and independent assessments may be a recommended formula to achieve these objectives.

V. Governance and public administration

42. The essential conditions for public governance to produce results are the institutional and technical components of public administration, such as its organizational structure, operative processes, managerial patterns, and the analytical and operational skills of public servants, as well as their integrity and disposition to obey the regulations and to treat citizens fairly. Therefore, the governance process runs the risk of being politically questioned and socially ineffective if severe institutional, cognitive and organizational flaws affect public administration performance. For this reason, the administrative reforms within and across the government retain their importance and urgency. While in some countries a sound bureaucracy is still to be developed, in other countries a cost-efficient and highly effective public administration is to be enhanced and sustained through managerial practices. In addition, new administrative arrangements and even a new mentality of public servants are required under such new governance conditions, which demand a more open, relational, and cooperating public administration, and a transparent and accountable one as well. For implementing and standardizing these new administrative ways, appropriate ICT systems are necessary and helpful.

43. There are many inevitable tensions in attempts by public sector organizations to govern for results which require good judgment in their management. The tension — which implies that the institutional and technical factors merge in every public policy and public service delivery — increases when senior executives must match hierarchical relationships with the horizontal relationships across government agencies that are necessary for inter-agency cooperation, at least in cases of complex and interrelated policy issues not easily tackled and implemented by any one agency acting autonomously. However the main tension takes place when government agencies must interact and co-work along a particular governance process with economic and civil organizations that might be different and even contrasting in interests, power, resources, information and knowledge. From an administrative perspective, the hardest problem regarding governance is how to coordinate independent and interdependent actors who participate in public decision-making processes, but maintain different approaches to the public problem to be solved or the public project to be achieved, and how to lead them through debates and negotiations to reach a decision that endorses the public interest and values.

44. Tensions will be more intense as a number of structures, processes and relationships are devised to deliver on shared outcomes in the public sector. This will be particularly the case when working out new accountability arrangements. The United Nations Department of Economic and Social Affairs, Division for Public Administration and Development Management identified several challenges to be faced in terms of getting to grips with accountability issues in the new governance

environment.[23] Another source of tension that will increase in the future is that between a strategy to manage risk and encouragement of innovative and adaptive practices to deal with the complexities of the modern world. An issue here for some public sector agencies is the tension between the need to ensure compliance with the regulatory framework and the need to provide enough flexibility to deliver outcomes. Agencies need to monitor this issue to ensure that they are achieving the right balance. Yet another source of tension is that between the centralization of processes across government, which tend to go with collaborative government, and devolving delivery responsibilities to line agencies.

45. While no one size fits all, public administration systems that deliver results would include the following building blocks that need to be considered when establishing or reviewing governance arrangements: strong leadership, culture and communication; appropriate governance committee structures; clear accountability mechanisms; comprehensive risk management, compliance and assurance systems; strategic planning, performance monitoring and evaluation; flexible and evolving principles-based systems; working effectively across organizational boundaries.[24] These are interrelated elements which will differ in their operation from country to country and in terms of size of agencies, structure and legislative background. Of importance is the interpretation of these elements in the context of collaborative governance.

46. In an era of "performance governance",[25] public administration systems must be expected to adopt a performance framework that ensures outcomes are in line with objectives and that these are linked to budget plans and financial year results. This will put great pressure on government agencies to improve financial information and other systems. However, it is important that performance measures, especially lower level indicators, are set in such a way that they do not undermine the responsiveness of more complex devolved governance arrangements. A balance needs to be struck between proper levels of accountability and allowing third-party providers some measure of flexibility and responsiveness to their clients.[26] Finally, without strong and consistent leadership, including at the political level, the desired results described above could prove elusive.

---

[23] *Toward Participatory and Transparent Governance: Reinventing Government*. (United Nations publication, Sales No. E.07.II.H.6). The challenges will be the following: an increase in accountability conflicts, e.g. between output or performance accountability and multiple stakeholder accountability; for public officials a need to "increasingly exercise judgment over which form of accountability to prioritize in a given circumstance"; increasingly important professional and personal accountability for public officials; less dominance of political accountability; and increasing accountability roles for political representatives "i.e. monitoring the 'accountabilities system' for its overall results and integrity" (pp. 32-33).

[24] For more detail on each of these points, see Australian Public Service Commission, *Building Better Governance* (2008), available at http://www.asc.gov.au/publications07/better governance2.htm.

[25] Geert Bouckaert and John Halligan, *Managing Performance: International Comparison*. (Abingdon, Oxfordshire, and New York, Routledge, 2008).

[26] Australian Public Service Commission, *Building Better Governance* (2008), available at http://www.asc.gov.au/publications07/better governance2.htm.

VI. Conclusion

47. The new governance approach, which is a key condition of democratic performance under the present social conditions, demands institutional reforms to make governments open to citizen engagement in public decision-making and particularly to reach out to those citizens who are least prepared to participate, or whose participation is hindered. To varying degrees, therefore, governments are ruling and steering their societies through associative and networked arrangements on a number of public issues, particularly when they face complex social challenges and problems, and lack sufficient resources and capabilities to successfully address them alone or by hierarchical means. Indeed, it is increasingly being recognized that the scope for citizen engagement by far exceeds the decision-making stages. Several examples may be referenced for insights into effectively engaging citizens in public governance in the stages of planning, implementing, monitoring and evaluation, and in holding public officials accountable.

48. In addition to accommodating and encouraging citizen engagement throughout the various stages of governance, institutional reforms of public governance must respond to increased public interaction by introducing arrangements to prevent governments from being captured by groups with vested interests that might betray their commitment to the public interest. New administrative arrangements and practices will also be required, as many public policies and service delivery methods will imply horizontal and collaborative relationships between public servants, civil service organizations, businesses and other stakeholders. Coordination skills, plus the technical abilities of public sector personnel must be combined with legality and transparency, in order for the new governance process to be legitimate, efficient and socially agreeable.